

GRAY COUNTY, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2012**

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Gray County, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Gray County, Kansas as of and for the year ended December 31, 2012 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by the Gray County, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Gray County, Kansas as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Gray County, Kansas as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures, (Schedule 2 as listed in the table of contents) upon which we rendered an unqualified opinion dated June 4, 2012, are also presented for comparative analysis and are not a required part of the 2012 financial statement. The 2011 financial statements and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management and Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statements. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statements or to the 2011 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statements as a whole.

Kennedy McKee & Company LLP

August 26, 2013

GRAY COUNTY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

Year ended December 31, 2012

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>	<u>Cash receipts</u>
GENERAL FUND:			
General fund	\$ 436,261	\$ -	\$ 3,670,362
SPECIAL PURPOSE FUNDS:			
Road and bridge	224,826	-	2,726,360
Special bridge	443,006	-	1,338
Waste disposal	51,810	-	605,129
Noxious weed	32,770	-	147,556
County health	-	-	134,900
Mental health	1,256	-	48,473
Mental retardation	901	-	33,632
Conservation district	725	-	25,896
Extension council	3,376	-	128,375
Historical society	276	-	14,549
Free fair	3,622	-	134,575
Council on aging	2,008	-	77,437
Ambulance	65,296	-	418,329
Appraiser's cost	68,613	-	192,899
Direct election expense	25,896	-	30,543
Tort liability expense	108,492	-	-
Employee benefits	536,969	-	839,079
Rural fire district	56,690	-	78,077
County library	674	-	35,277
Non-budgeted special purpose funds:			
Special highway	439,483	-	66,993
Register of deeds technology	28,397	-	17,974
Special health	19,529	-	76,705
Regional bio-terrorism	4,206	-	34,385
Ambulance special equipment	5,598	-	100
PSAP 911 E	73,386	-	43,827
Ambulance spec equip - South	4,086	-	500
Search and rescue	146	-	1,000
Enhanced 911 grant	3,561	-	-
Capital improvements	849,147	-	393,172
Equipment reserve	424,588	-	363,496
CDBG Grant #1	-	-	14,934
P.A.T.F.	13,814	-	2,102
Sex offender	1,420	-	660
Special law enforcement trust	2,901	-	15,717
Special vehicle	31,894	-	64,167
Postage	8,287	-	9,661
Veterans memorial	296	-	1,140
Law enforcement equipment	596	-	-
Alcohol programs	523	-	-
Parks and recreation	335	-	-
Rural fire training	2,558	-	326
Drug task force	894	-	-
Total reporting entity (excluding agency funds)	<u>\$ 3,979,112</u>	<u>\$ -</u>	<u>\$ 10,449,645</u>

<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 2,335,795	\$ 1,770,828	\$ 108,139	\$ 1,878,967
2,707,000	244,186	60,654	304,840
18,245	426,099	-	426,099
559,032	97,907	14,715	112,622
94,586	85,740	3,320	89,060
131,124	3,776	4,118	7,894
46,643	3,086	-	3,086
32,329	2,204	-	2,204
25,000	1,621	-	1,621
123,700	8,051	-	8,051
14,150	675	-	675
129,650	8,547	-	8,547
74,500	4,945	-	4,945
408,308	75,317	11,851	87,168
202,939	58,573	10,484	69,057
35,158	21,281	282	21,563
-	108,492	-	108,492
940,501	435,547	-	435,547
114,767	20,000	4,754	24,754
33,550	2,401	-	2,401
386,311	120,165	48,500	168,665
41,154	5,217	-	5,217
93,585	2,649	-	2,649
35,001	3,590	4,642	8,232
-	5,698	-	5,698
25,199	92,014	-	92,014
-	4,586	-	4,586
1,000	146	-	146
-	3,561	-	3,561
148,000	1,094,319	-	1,094,319
210,882	577,202	10,871	588,073
14,934	-	-	-
1,010	14,906	-	14,906
-	2,080	-	2,080
-	18,618	-	18,618
67,041	29,020	25	29,045
14,294	3,654	-	3,654
-	1,436	-	1,436
-	596	-	596
-	523	-	523
-	335	-	335
2,884	-	-	-
-	894	-	894
<u>\$ 9,068,272</u>	<u>\$ 5,360,485</u>	<u>\$ 282,355</u>	<u>\$ 5,642,840</u>

GRAY COUNTY, KANSAS

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH (CONTINUED)
REGULATORY BASIS**

Year ended December 31, 2012

	<u>Ending cash balance</u>
Composition of cash balance:	
Cash on hand	\$ 37,914
Checking accounts	1,022,080
Savings accounts	13,714,485
Credit card deposit on hand	<u>547</u>
Total cash	14,775,026
Agency funds	<u>(9,132,186)</u>
Total - excluding agency funds	<u><u>\$ 5,642,840</u></u>

The notes to the financial statement are an integral part of this statement.

GRAY COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENT

December 31, 2012

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial Reporting Entity

Gray County is a municipal corporation governed by an elected three-member commission. This financial statement presents Gray County, Kansas, (the primary government) and does not include the following related municipal entities:

Gray County Free Fair Association: The Association is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the Association is prohibited from issuing bonded debt without the approval of the County Commission.

Gray County Library District: The members of the governing board of the District are appointed by the County Commissioners. The District is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the District is prohibited from issuing bonded debt without the approval of the County Commission.

Gray County Extension Council: The Council is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the Council is prohibited from issuing bonded debt without the approval of the County Commission.

2. Regulatory Basis Fund Types

General fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America (continued)

The County has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the County to use the regulatory basis of accounting.

4. Budgetary information

Kansas statutes require that an annual operating budget be legally adopted for the general fund and special purpose funds (unless specifically exempted by statute). Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for agency funds and the following special purpose funds:

Special Highway	Prosecuting Attorney Training
Register of Deeds Technology	Sex Offender
Special Health	Special Law Enforcement Trust
Regional Bio-Terrorism	Special Vehicle
Ambulance Special Equipment	Postage
PSAP 911E	Veterans Memorial
Ambulance Spec Equip - South	Law Enforcement Equipment
Search and Rescue	Alcohol Programs
Enhanced 911 Grant	Parks and Recreation
Capital Improvements	Rural Fire Training
Equipment Reserve	Drug Task Force
CDBG Grant #1	

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary information (continued)

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

B. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds to have a main or branch bank in the county in which the County is located, or in an adjoining county if such institution has been designated as an official depository, and the banks to provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices.

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2012.

At December 31, 2012 the carrying amount of the County's deposits, including certificates of deposit, was \$14,736,565 and the bank balance was \$14,908,738. Of the bank balance, \$1,691,279 was covered by federal depository insurance, and \$13,217,459 was collateralized with securities held by the pledging financial institutions agents in the County's name.

C. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

1. Other Employee Benefits

Vacation leave – The County's policies regarding vacations permit employees to accumulate a maximum of eighteen calendar days of vacation. Upon termination or resignation from service with the County, employees are entitled to payment for all accumulated vacation earned prior to termination or resignation up to a maximum of eighteen days.

Sick leave – All employees on permanent status earn sick leave at the rate of one calendar day per month with a maximum accumulation of one hundred thirty calendar days of sick leave. No allowance for unused sick leave is paid upon termination or resignation. The County has a sick leave bank whereby employees can transfer excess sick leave to a bank to be used by employees who are on extended sick leave and have exhausted their own sick leave accumulation. The sick leave bank is administered by the County Commissioners.

C. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

1. Other Employee Benefits (continued)

Section 125 Cafeteria Plan/Health Insurance – The County offers a section 125 cafeteria plan for all employees electing to participate. Participants may use this for health insurance premiums, other medical costs and child care costs. The plan is administered by an independent insurance company.

Section 457 Deferred Compensation Plan – The County offers employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457.

2. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the County is subsidizing the retirees because each participant is charge a level of premium regardless of age.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outline by the federal government for this coverage.

D. DEFINED BENEFIT PENSION PLAN

Plan description. Gray County contributes to the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603), at the following website: <http://www.kpers.org/annualreport2012.pdf> or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and 74-49,210 establishes the KPERS member-employee contribution rate. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July, 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

D. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The County employer contributions to KPERS for the years ending December 31, 2012, 2011, and 2010 were \$182,169, \$164,720, and \$146,298, respectively, equal to the required contributions for each year. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The County contributions to KP&F for the years ending December 31, 2012, 2011, and 2010 were \$69,044, \$61,973, and \$54,151, respectively, equal to the required contributions for each year.

E. LONG-TERM DEBT

Changes in long-term liabilities for the entity for the year ended December 31, 2012, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions/ net change</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Capital leases:					
Screen machines					
Issued February 29, 2008					
In the amount of \$161,839					
At interest rate of 4.19%					
Maturing March 1, 2012	\$ 33,667	\$ -	\$ 33,667	\$ -	\$ 1,411
KDOT communications equipment					
Issued September 1, 2010					
In the amount of \$44,238					
At interest rate of 5.15%					
Maturing December 15, 2021	37,239	-	2,940	34,299	1,916
Caterpillar motor graders					
Issued November 30, 2012					
In the amount of \$483,670					
At interest rate of 3.20%					
Maturing November 27, 2014	-	483,670	-	483,670	-
Total capital leases	<u>\$ 70,906</u>	<u>\$ 483,670</u>	<u>\$ 36,607</u>	<u>\$ 517,969</u>	<u>\$ 3,327</u>

Current maturities of capital leases and interest for the next five years and in five year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2013	\$ 241,088	\$ 15,354	\$ 256,442
2014	248,926	7,518	256,444
2015	3,418	1,438	4,856
2016	3,594	1,263	4,857
2017	3,779	1,078	4,857
2018-2021	17,164	2,263	19,427
Total	<u>\$ 517,969</u>	<u>\$ 28,914</u>	<u>\$ 546,883</u>

F. INTERFUND TRANSFERS

A summary of interfund transfers by type is as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory authority</u>
Operating transfers:			
General	Equipment Reserve	\$ 86,000	K.S.A. 19-119
General	Capital Improvements	352,414	K.S.A. 19-120
Waste disposal	Equipment Reserve	56,000	K.S.A. 19-119
County Health	Equipment Reserve	11,595	K.S.A. 19-119
Ambulance	Equipment Reserve	140,000	K.S.A. 19-119
Appraiser's Cost	Equipment Reserve	13,500	K.S.A. 19-119
Election	Equipment Reserve	2,000	K.S.A. 19-119
Rural Fire District	Equipment Reserve	50,000	K.S.A. 19-119
Special Vehicle	General	31,894	K.S.A. 8-145
Road and Bridge	Special Highway	<u>66,993</u>	K.S.A. 68-590
		<u>\$ 810,396</u>	
Transfers to related municipal entities:			
Extension Council fund	Extension Council	\$ 123,700	K.S.A. 2-610
Free Fair fund	Free Fair Association	129,650	K.S.A. 2-129
County Library fund	Library District	<u>33,550</u>	K.S.A. 12-1220
		<u>\$ 286,900</u>	

G. COMMITMENTS

The County has agreed to participation in an Interlocal Cooperation Agreement with five other counties, known as the Western Kansas Development Organization (WEKANDO). The agreement is to run for thirteen years commencing in 2010 and ending in 2022. The purpose of the organization is to develop and undertake programs to promote economic growth in the area. Gray County's funding assessment for years 2012, 2011, and 2010 is \$64,909, \$63,935, and \$47,872 respectively. The assessment will be allocated between the member counties on a pro-rata percentage based on the annual valuations through 2015. That percentage shall be converted to a mill levy amount and applied equally to each county to raise a total amount each year of \$1,000,000. The assessment for 2013 is \$69,735, to be paid from the General Fund, supported by the general tax revenues of the County.

H. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in public entity risk pools to cover property, liability and worker's compensation claims. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

I. PUBLIC ENTITY RISK POOLS

The County is a member of the Kansas Workers Risk Cooperative for Counties (KWORCC), a group funded pool for workers compensation coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for member counties. The County pays an annual contribution to the Cooperative as determined by the seven-member Board of Trustees based upon experience modification factors, payroll audits and any other bases the Board considers appropriate. It is not possible to estimate the maximum contributions which could be required. KWORCC covers claims up to \$600,000 each and aggregate excess reinsurance provides aggregate coverage up to \$3,000,000. Except for required contributions, no member can be held responsible for any claims made against any other member.

The County also is a member of the Kansas County Association Multi-Line Pool (KCAMP), a group funded pool for property, liability, crime and surety coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for member counties. The County pays an annual contribution to the Pool as determined by the nine-member Board of Trustees. It is not possible to estimate the maximum contributions which could be required. KCAMP covers property loss up to the scheduled amount of values on file which is \$14,771,010, \$300,000 for liability and \$150,000 for crime. Excess reinsurance provides aggregate coverage up to \$1,700,000 for liability. Except for required contributions, no member can be held responsible for any claims made against any other member.

J. CONTINGENCIES

The County receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, would be insignificant.

K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 26, 2013, the date on which the financial statements were available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in these financial statements.

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION**

GRAY COUNTY, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

Year ended December 31, 2012

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund	\$ 2,335,795	\$ -	\$ 2,335,795	\$ 2,335,795	\$ -
Special purpose funds:					
Road and bridge	2,707,000	-	2,707,000	2,707,000	-
Special bridge	438,000	-	438,000	18,245	419,755
Waste disposal	559,032	-	559,032	559,032	-
Noxious weed	158,095	-	158,095	94,586	63,509
County health	131,124	-	131,124	131,124	-
Mental health	46,643	-	46,643	46,643	-
Mental retardation	32,329	-	32,329	32,329	-
Conservation district	25,000	-	25,000	25,000	-
Extension council	123,700	-	123,700	123,700	-
Historical society	14,150	-	14,150	14,150	-
Free fair	129,650	-	129,650	129,650	-
Council on aging	74,500	-	74,500	74,500	-
Ambulance	445,000	-	445,000	408,308	36,692
Appraiser's cost	221,784	-	221,784	202,939	18,845
Direct election expense	39,000	-	39,000	35,158	3,842
Tort liability expense	108,492	-	108,492	-	108,492
Employee benefits	1,324,000	-	1,324,000	940,501	383,499
Rural fire district	130,000	-	130,000	114,767	15,233
County library	33,550	-	33,550	33,550	-
Total	<u>\$ 9,076,844</u>	<u>\$ -</u>	<u>\$ 9,076,844</u>	<u>\$ 8,026,977</u>	<u>\$ 1,049,867</u>

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 1,033,302	\$ 1,137,579	\$ 1,097,479	\$ 40,100
Delinquent tax	13,979	31,832	5,350	26,482
Motor vehicle tax	134,290	110,180	135,136	(24,956)
Recreational vehicle tax	2,396	2,012	2,303	(291)
16/20M truck tax	3,988	5,449	6,186	(737)
Interest on delinquent tax	48,255	21,299	15,000	6,299
Local sales tax	444,027	610,465	340,000	270,465
Mineral production tax	6,616	10,049	5,000	5,049
Intangible tax	-	422	-	422
Licenses, permits and fees:				
Mortgage registration fees	43,891	1,149,307	20,000	1,129,307
County officers' fees	33,925	26,558	20,000	6,558
911E tariff tax	23,303	5,706	24,000	(18,294)
Diversion fees	38,844	48,079	20,000	28,079
Other fees	18,453	15,147	1,000	14,147
Charges for services:				
Law enforcement contract	270,000	135,000	180,000	(45,000)
Interest	57,814	32,736	50,000	(17,264)
Gift from FPL Energy	189,005	194,283	189,005	5,278
Farm income	18,559	6,181	3,000	3,181
Other	50,427	96,184	-	96,184
Operating transfers in	33,740	31,894	31,700	194
Total cash receipts	2,464,814	3,670,362	\$ 2,145,159	\$ 1,525,203
Expenditures:				
County commissioners:				
Personal services	27,359	28,253	\$ 30,000	\$ 1,747
Commodities	-	13	-	(13)
Contractual services	7,609	8,879	5,600	(3,279)
Subtotal	34,968	37,145	35,600	(1,545)

GRAY COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET (CONTINUED)
REGULATORY BASIS

For the Year ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
County clerk:				
Personal services	\$ 74,522	\$ 77,563	\$ 89,000	\$ 11,437
Commodities	6,059	6,257	5,500	(757)
Contractual services	4,245	2,729	5,500	2,771
Capital outlay	-	-	3,000	3,000
Subtotal	84,826	86,549	103,000	16,451
County treasurer:				
Personal services	115,884	119,147	120,750	1,603
Commodities	3,312	4,582	4,900	318
Contractual services	9,588	8,326	12,400	4,074
Capital outlay	-	-	5,000	5,000
Subtotal	128,784	132,055	143,050	10,995
County attorney:				
Personal services	84,018	86,764	88,000	1,236
Commodities	1,102	1,029	2,000	971
Contractual services	36,263	42,827	48,000	5,173
Subtotal	121,383	130,620	138,000	7,380
Register of deeds:				
Personal services	67,398	70,158	70,380	222
Commodities	9,967	5,008	5,610	602
Contractual services	2,596	8,203	4,590	(3,613)
Subtotal	79,961	83,369	80,580	(2,789)
Custodian:				
Personal services	60,632	61,979	63,000	1,021
Commodities	7,383	4,197	13,000	8,803
Contractual services	763	2,815	-	(2,815)
Capital outlay	-	-	1,000	1,000
Subtotal	68,778	68,991	77,000	8,009

GRAY COUNTY, KANSAS**GENERAL FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET (CONTINUED)
REGULATORY BASIS**

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance favorable (unfavorable)
	2011	Actual	Budget	
District court:				
Commodities	\$ 5,213	\$ 4,330	\$ 5,050	\$ 720
Contractual services	59,384	54,586	58,200	3,614
Capital outlay	970	2,890	5,515	2,625
Subtotal	65,567	61,806	68,765	6,959
Courthouse general:				
Personal services	122,352	149,503	130,000	(19,503)
Commodities	26,500	21,846	40,000	18,154
Contractual services	435,786	284,666	300,000	15,334
Capital outlay	-	-	25,000	25,000
Subtotal	584,638	456,015	495,000	38,985
Sheriff:				
Personal services	624,676	629,252	685,000	55,748
Commodities	102,698	81,946	150,000	68,054
Contractual services	132,610	158,902	165,000	6,098
Capital outlay	965	41,907	17,000	(24,907)
Subtotal	860,949	912,007	1,017,000	104,993
Civil defense:				
Commodities	4,763	11,636	10,000	(1,636)
Contractual services	7,199	13,870	2,800	(11,070)
Capital outlay	-	-	35,000	35,000
Subtotal	11,962	25,506	47,800	22,294
Weather modification	26,725	-	-	-
Diversion fees:				
Personal services	6,000	6,017	15,000	8,983
Capital outlay	9,000	-	-	-
Subtotal	15,000	6,017	15,000	8,983

GRAY COUNTY, KANSAS**GENERAL FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET (CONTINUED)
REGULATORY BASIS**

For the Year ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance favorable (unfavorable)
	2011	Actual	Budget	
Farm expense:				
Commodities	\$ 1,332	\$ 5,733	\$ 11,000	\$ 5,267
Contractual services	2,579	2,183	4,000	1,817
Subtotal	3,911	7,916	15,000	7,084
Sanitation	-	12,560	-	(12,560)
County health	-	35,758	-	(35,758)
Reimbursed expenditures	(114,684)	(158,933)	-	158,933
Transfer to other funds:				
Capital improvement	222,457	352,414	100,000	(252,414)
Equipment reserve	194,515	86,000	-	(86,000)
Subtotal	416,972	438,414	100,000	(338,414)
Total expenditures	2,389,740	2,335,795	\$ 2,335,795	\$ -
Receipts over (under) expenditures	75,074	1,334,567		
Unencumbered cash, beginning of year	361,187	436,261	\$ 190,636	\$ 245,625
Unencumbered cash, end of year	\$ 436,261	\$ 1,770,828		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

ROAD AND BRIDGE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 2,027,058	\$ 1,918,898	\$ 1,851,309	\$ 67,589
Delinquent tax	29,680	72,824	10,496	62,328
Motor vehicle tax	242,238	214,581	265,092	(50,511)
Recreational vehicle tax	4,307	3,940	4,519	(579)
16/20M tax	10,841	9,768	12,135	(2,367)
Gasoline tax	418,320	425,826	406,914	18,912
Other	68,431	80,523	-	80,523
Total cash receipts	<u>2,800,875</u>	<u>2,726,360</u>	<u>\$ 2,550,465</u>	<u>\$ 175,895</u>
Expenditures:				
Highway and streets	2,462,793	2,809,591	\$ 2,707,000	\$ (102,591)
Reimbursed expenditures	(90,026)	(169,584)	-	169,584
Transfer to special highway	305,738	66,993	-	(66,993)
Total expenditures	<u>2,678,505</u>	<u>2,707,000</u>	<u>\$ 2,707,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	122,370	19,360		
Unencumbered cash, beginning of year	<u>102,456</u>	<u>224,826</u>	<u>\$ 156,535</u>	<u>\$ 68,291</u>
Unencumbered cash, end of year	<u>\$ 224,826</u>	<u>\$ 244,186</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

SPECIAL BRIDGE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Delinquent tax	\$ 582	\$ 1,090	\$ -	\$ 1,090
Motor vehicle tax	4,628	60	-	60
Recreational vehicle tax	82	1	-	1
16/20M tax	173	187	-	187
Other	1,060	-	-	-
Total cash receipts	6,525	1,338	\$ -	\$ 1,338
Expenditures:				
Highways and streets	58,582	18,245	\$ 438,000	\$ 419,755
Reimbursed expenditures	(2,100)	-	-	-
Total expenditures	56,482	18,245	\$ 438,000	\$ 419,755
Receipts over (under) expenditures	(49,957)	(16,907)		
Unencumbered cash, beginning of year	492,963	443,006	\$ 438,000	\$ 5,006
Unencumbered cash, end of year	\$ 443,006	\$ 426,099		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

WASTE DISPOSAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 49,737	\$ 145,465	\$ 140,325	\$ 5,140
Special assessments	245,516	318,080	290,736	27,344
Delinquent tax	1,176	2,645	258	2,387
Motor vehicle tax	10,642	5,326	6,509	(1,183)
Recreational vehicle tax	189	98	111	(13)
16/20M tax	437	430	298	132
Charges for services	120,546	128,987	120,489	8,498
Other	5,221	4,098	-	4,098
Total cash receipts	<u>433,464</u>	<u>605,129</u>	<u>\$ 558,726</u>	<u>\$ 46,403</u>
Expenditures:				
Sanitation:				
Personal services	35,520	36,513	\$ 36,850	\$ 337
Commodities	7,904	5,719	29,402	23,683
Contractual services	368,117	473,360	436,780	(36,580)
Capital outlay	-	-	56,000	56,000
Reimbursed expenditures	-	(12,560)	-	12,560
Transfer to equipment reserve	-	56,000	-	(56,000)
Total expenditures	<u>411,541</u>	<u>559,032</u>	<u>\$ 559,032</u>	<u>\$ -</u>
Receipts over (under) expenditures	21,923	46,097		
Unencumbered cash, beginning of year	29,887	51,810	\$ 306	\$ 51,504
Unencumbered cash, end of year	<u>\$ 51,810</u>	<u>\$ 97,907</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

NOXIOUS WEED FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 82,810	\$ 133,465	\$ 128,777	\$ 4,688
Delinquent tax	2,043	4,328	429	3,899
Motor vehicle tax	17,993	8,871	10,830	(1,959)
Recreational vehicle tax	321	164	185	(21)
16/20M tax	660	728	496	232
Other	5,073	-	-	-
Total cash receipts	108,900	147,556	\$ 140,717	\$ 6,839
Expenditures:				
Highways and streets	147,733	125,417	\$ 158,095	\$ 32,678
Reimbursed expenditures	(25,790)	(30,831)	-	30,831
Transfer to equipment reserve	27,000	-	-	-
Total expenditures	148,943	94,586	\$ 158,095	\$ 63,509
Receipts over (under) expenditures	(40,043)	52,970		
Unencumbered cash, beginning of year	72,813	32,770	\$ 17,378	\$ 15,392
Unencumbered cash, end of year	\$ 32,770	\$ 85,740		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNTY HEALTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 116,207	\$ 116,703	\$ 112,559	\$ 4,144
Delinquent tax	1,910	4,539	602	3,937
Motor vehicle tax	15,723	12,325	15,201	(2,876)
Recreational vehicle tax	280	227	259	(32)
16/20M tax	684	634	696	(62)
Other	338	472	-	472
Total cash receipts	135,142	134,900	\$ 129,317	\$ 5,583
Expenditures:				
Health and welfare:				
Personal services	152,129	160,877	\$ 157,979	\$ (2,898)
Commodities	48,231	33,837	46,550	12,713
Contractual services	8,786	10,837	11,595	758
Capital outlay	93	-	-	-
Reimbursed expenditures	(49,748)	(86,022)	(85,000)	1,022
Transfer to equipment reserve	-	11,595	-	(11,595)
Total expenditures	159,491	131,124	\$ 131,124	\$ -
Receipts over (under) expenditures	(24,349)	3,776		
Unencumbered cash, beginning of year	24,349	-	\$ 1,807	\$ (1,807)
Unencumbered cash, end of year	\$ -	\$ 3,776		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

MENTAL HEALTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 39,740	\$ 42,488	\$ 41,013	\$ 1,475
Delinquent tax	618	1,495	-	1,495
Motor vehicle tax	5,007	4,210	5,195	(985)
Recreational vehicle tax	89	78	89	(11)
16/20M tax	224	202	238	(36)
Total cash receipts	45,678	48,473	<u>\$ 46,535</u>	<u>\$ 1,938</u>
Expenditures:				
Health and welfare:				
County appropriation	44,422	46,643	<u>\$ 46,643</u>	<u>\$ -</u>
Receipts over (under) expenditures	1,256	1,830		
Unencumbered cash, beginning of year	-	1,256	<u>\$ 108</u>	<u>\$ 1,148</u>
Unencumbered cash, end of year	<u>\$ 1,256</u>	<u>\$ 3,086</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

MENTAL RETARDATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 28,908	\$ 29,278	\$ 28,232	\$ 1,046
Delinquent tax	449	1,088	-	1,088
Motor vehicle tax	3,645	3,063	3,781	(718)
Recreational vehicle tax	65	56	64	(8)
16/20M tax	163	147	173	(26)
Total cash receipts	33,230	33,632	<u>\$ 32,250</u>	<u>\$ 1,382</u>
Expenditures:				
Health and welfare:				
County appropriation	32,329	32,329	<u>\$ 32,329</u>	<u>\$ -</u>
Receipts over (under) expenditures	901	1,303		
Unencumbered cash, beginning of year	-	901	<u>\$ 79</u>	<u>\$ 822</u>
Unencumbered cash, end of year	<u>\$ 901</u>	<u>\$ 2,204</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

CONSERVATION DISTRICT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 22,370	\$ 22,605	\$ 21,833	\$ 772
Delinquent tax	347	837	-	837
Motor vehicle tax	2,833	2,296	2,922	(626)
Recreational vehicle tax	50	44	50	(6)
16/20M tax	125	114	134	(20)
Total cash receipts	25,725	25,896	<u>\$ 24,939</u>	<u>\$ 957</u>
Expenditures:				
General government:				
County appropriation	25,000	25,000	<u>\$ 25,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	725	896		
Unencumbered cash, beginning of year	-	725	<u>\$ 61</u>	<u>\$ 664</u>
Unencumbered cash, end of year	<u>\$ 725</u>	<u>\$ 1,621</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

EXTENSION COUNCIL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 108,451	\$ 112,279	\$ 108,331	\$ 3,948
Delinquent tax	1,684	4,075	-	4,075
Motor vehicle tax	13,685	11,258	14,184	(2,926)
Recreational vehicle tax	243	211	242	(31)
16/20M tax	613	552	649	(97)
Total cash receipts	124,676	128,375	<u>\$ 123,406</u>	<u>\$ 4,969</u>
Expenditures:				
Transfer to related municipal entity	121,300	123,700	<u>\$ 123,700</u>	<u>\$ -</u>
Receipts over (under) expenditures	3,376	4,675		
Unencumbered cash, beginning of year	-	3,376	<u>\$ 294</u>	<u>\$ 3,082</u>
Unencumbered cash, end of year	<u>\$ 3,376</u>	<u>\$ 8,051</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

HISTORICAL SOCIETY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 11,602	\$ 12,937	\$ 12,503	\$ 434
Delinquent tax	123	322	-	322
Motor vehicle tax	1,064	1,224	1,519	(295)
Recreational vehicle tax	19	23	26	(3)
16/20M tax	43	43	70	(27)
Total cash receipts	12,851	14,549	<u>\$ 14,118</u>	<u>\$ 431</u>
Expenditures:				
Culture and recreation:				
County appropriation	12,575	14,150	<u>\$ 14,150</u>	<u>\$ -</u>
Receipts over (under) expenditures	276	399		
Unencumbered cash, beginning of year	-	276	<u>\$ 32</u>	<u>\$ 244</u>
Unencumbered cash, end of year	<u>\$ 276</u>	<u>\$ 675</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

FREE FAIR FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		
	2011	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 115,951	\$ 117,384	\$ 113,220	\$ 4,164
Delinquent tax	1,805	4,358	-	4,358
Motor vehicle tax	14,605	12,018	15,163	(3,145)
Recreational vehicle tax	260	226	258	(32)
16/20M tax	651	589	694	(105)
Total cash receipts	133,272	134,575	<u>\$ 129,335</u>	<u>\$ 5,240</u>
Expenditures:				
Transfer to related municipal entity	129,650	129,650	<u>\$ 129,650</u>	<u>\$ -</u>
Receipts over (under) expenditures	3,622	4,925		
Unencumbered cash, beginning of year	-	3,622	<u>\$ 315</u>	<u>\$ 3,307</u>
Unencumbered cash, end of year	<u>\$ 3,622</u>	<u>\$ 8,547</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNCIL ON AGING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 63,904	\$ 67,817	\$ 65,442	\$ 2,375
Delinquent tax	1,028	2,456	-	2,456
Motor vehicle tax	8,411	6,700	8,359	(1,659)
Recreational vehicle tax	150	125	143	(18)
16/20M tax	368	339	383	(44)
Total cash receipts	73,861	77,437	<u>\$ 74,327</u>	<u>\$ 3,110</u>
Expenditures:				
Health and welfare:				
County appropriation	71,853	74,500	<u>\$ 74,500</u>	<u>\$ -</u>
Receipts over (under) expenditures	2,008	2,937		
Unencumbered cash, beginning of year	-	2,008	<u>\$ 173</u>	<u>\$ 1,835</u>
Unencumbered cash, end of year	<u>\$ 2,008</u>	<u>\$ 4,945</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

AMBULANCE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 33,641	\$ 286,923	\$ 276,775	\$ 10,148
Delinquent tax	3,999	7,811	174	7,637
Motor vehicle tax	32,931	3,934	4,400	(466)
Recreational vehicle tax	586	74	75	(1)
16/20M tax	1,430	1,329	201	1,128
Charges for services	130,429	118,095	120,000	(1,905)
Other	10,162	163	-	163
Total cash receipts	213,178	418,329	\$ 401,625	\$ 16,704
Expenditures:				
Health and welfare:				
Personal services	203,202	197,851	\$ 180,000	\$ (17,851)
Commodities	32,416	22,721	50,000	27,279
Contractual services	52,126	40,827	75,000	34,173
Capital outlay	17,176	6,979	140,000	133,021
Reimbursed expenditures	(13,520)	(70)	-	70
Transfer to equipment reserve	75,000	140,000	-	(140,000)
Total expenditures	366,400	408,308	\$ 445,000	\$ 36,692
Receipts over (under) expenditures	(153,222)	10,021		
Unencumbered cash, beginning of year	218,518	65,296	\$ 43,375	\$ 21,921
Unencumbered cash, end of year	\$ 65,296	\$ 75,317		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

APPRAISER'S COST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 180,753	\$ 165,791	\$ 159,933	\$ 5,858
Delinquent tax	2,544	6,376	936	5,440
Motor vehicle tax	19,976	19,113	23,641	(4,528)
Recreational vehicle tax	355	351	403	(52)
16/20M tax	950	805	1,082	(277)
Other	645	463	-	463
Total cash receipts	205,223	192,899	\$ 185,995	\$ 6,904
Expenditures:				
General government:				
Personal services	154,094	163,185	\$ 169,364	\$ 6,179
Commodities	9,374	8,044	12,600	4,556
Contractual services	17,914	18,210	26,320	8,110
Capital outlay	-	-	13,500	13,500
Transfer to equipment reserve	8,500	13,500	-	(13,500)
Total expenditures	189,882	202,939	\$ 221,784	\$ 18,845
Receipts over (under) expenditures	15,341	(10,040)		
Unencumbered cash, beginning of year	53,272	68,613	\$ 35,789	\$ 32,824
Unencumbered cash, end of year	\$ 68,613	\$ 58,573		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

DIRECT ELECTION EXPENSE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011	2012		Variance favorable (unfavorable)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 25,125	\$ 26,826	\$ 25,890	\$ 936
Delinquent tax	399	678	130	548
Motor vehicle tax	5,144	2,688	3,288	(600)
Recreational vehicle tax	93	50	56	(6)
16/20M tax	42	211	151	60
Other	50	90	-	90
Total cash receipts	<u>30,853</u>	<u>30,543</u>	<u>\$ 29,515</u>	<u>\$ 1,028</u>
Expenditures:				
General government:				
Personal services	11,237	12,602	\$ 13,000	\$ 398
Commodities	670	2,618	6,000	3,382
Contractual services	9,191	21,215	18,000	(3,215)
Capital outlay	-	-	2,000	2,000
Reimbursed expenditures	-	(3,277)	-	3,277
Transfer to equipment reserve	2,000	2,000	-	(2,000)
Total expenditures	<u>23,098</u>	<u>35,158</u>	<u>\$ 39,000</u>	<u>\$ 3,842</u>
Receipts over (under) expenditures	7,755	(4,615)		
Unencumbered cash, beginning of year	<u>18,141</u>	<u>25,896</u>	<u>\$ 9,485</u>	<u>\$ 16,411</u>
Unencumbered cash, end of year	<u>\$ 25,896</u>	<u>\$ 21,281</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

TORT LIABILITY EXPENSE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance favorable (unfavorable)
	2011	Actual	Budget	
Cash receipts	\$ -	\$ -	\$ -	\$ -
Expenditures:				
General government:				
Contractual services	-	-	\$ 108,492	\$ 108,492
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	108,492	108,492	\$ 108,492	\$ -
Unencumbered cash, end of year	\$ 108,492	\$ 108,492		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 812,935	\$ 710,945	\$ 685,954	\$ 24,991
Delinquent tax	14,216	36,515	4,209	32,306
Motor vehicle tax	99,176	86,072	106,319	(20,247)
Recreational vehicle tax	1,755	1,580	1,813	(233)
16/20M tax	6,327	3,967	4,867	(900)
Total cash receipts	934,409	839,079	<u>\$ 803,162</u>	<u>\$ 35,917</u>
Expenditures:				
General government:				
Personal services	959,687	940,501	<u>\$ 1,324,000</u>	<u>\$ 383,499</u>
Receipts over (under) expenditures	(25,278)	(101,422)		
Unencumbered cash, beginning of year	562,247	536,969	<u>\$ 520,838</u>	<u>\$ 16,131</u>
Unencumbered cash, end of year	<u>\$ 536,969</u>	<u>\$ 435,547</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

RURAL FIRE DISTRICT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 72,633	\$ 63,639	\$ 61,724	\$ 1,915
Delinquent tax	1,136	3,061	379	2,682
Motor vehicle tax	8,306	5,634	6,822	(1,188)
Recreational vehicle tax	156	113	120	(7)
16/20M tax	386	509	598	(89)
Gift from FPL Energy	4,160	3,530	4,160	(630)
Other	-	1,591	-	1,591
Total cash receipts	86,777	78,077	\$ 73,803	\$ 4,274
Expenditures:				
Public safety:				
Personal services	3,949	7,060	\$ 5,000	\$ (2,060)
Commodities	799	359	25,000	24,641
Contractual services	2,077	1,058	50,000	48,942
Overhead	50,876	44,633	-	(44,633)
Equipment repair	11,363	11,657	-	(11,657)
Capital outlay	-	-	50,000	50,000
Transfer to equipment reserve	30,936	50,000	-	(50,000)
Total expenditures	100,000	114,767	\$ 130,000	\$ 15,233
Receipts over (under) expenditures	(13,223)	(36,690)		
Unencumbered cash, beginning of year	69,913	56,690	\$ 56,197	\$ 493
Unencumbered cash, end of year	\$ 56,690	\$ 20,000		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNTY LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance
	2011	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 30,461	\$ 30,909	\$ 30,215	\$ 694
Delinquent tax	550	1,700	-	1,700
Motor vehicle tax	2,857	2,435	2,979	(544)
Recreational vehicle tax	59	49	53	(4)
16/20M tax	207	184	219	(35)
Total cash receipts	34,134	35,277	<u>\$ 33,466</u>	<u>\$ 1,811</u>
Expenditures:				
Transfer to related municipal entity	33,460	33,550	<u>\$ 33,550</u>	<u>\$ -</u>
Receipts over (under) expenditures	674	1,727		
Unencumbered cash, beginning of year	-	674	<u>\$ 84</u>	<u>\$ 590</u>
Unencumbered cash, end of year	<u>\$ 674</u>	<u>\$ 2,401</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

ALL NON-BUDGETED SPECIAL PURPOSE FUNDS SCHEDULE OF RECEIPTS AND EXPENDITURES REGULATORY BASIS

Year ended December 31, 2012

	Special highway	Register of deeds technology	Special health	Regional bio-terrorism	Ambulance special equipment
Cash receipts:					
State and federal aid	\$ -	\$ -	\$ -	\$ 34,385	\$ -
Licenses, permits and fees	-	17,974	-	-	-
Charges for services	-	-	29,439	-	-
Interest	-	-	-	-	-
Other	-	-	47,266	-	100
Operating transfers in	66,993	-	-	-	-
Total cash receipts	66,993	17,974	76,705	34,385	100
Expenditures:					
Personal services	-	-	-	-	-
Commodities	-	5,488	33,589	-	-
Contractual services	-	32,045	59,996	35,001	-
Capital outlay	386,311	3,621	-	-	-
Remittance to state	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total expenditures	386,311	41,154	93,585	35,001	-
Receipts over (under) expenditures	(319,318)	(23,180)	(16,880)	(616)	100
Unencumbered cash, beginning of year	439,483	28,397	19,529	4,206	5,598
Unencumbered cash, end of year	\$ 120,165	\$ 5,217	\$ 2,649	\$ 3,590	\$ 5,698

PSAP 911E	Ambulance special equipment - South	Search and rescue	Enhanced 911 grant	Capital improve- ments	Equipment reserve	CDBG Grant #1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43,758	-	-	-	-	-	-
-	-	-	-	-	-	-
69	-	-	-	4,758	4,401	560
-	500	1,000	-	36,000	-	14,374
-	-	-	-	352,414	359,095	-
<u>43,827</u>	<u>500</u>	<u>1,000</u>	<u>-</u>	<u>393,172</u>	<u>363,496</u>	<u>14,934</u>
-	-	-	-	-	-	-
-	-	1,000	-	-	-	-
25,199	-	-	-	9,937	-	-
-	-	-	-	138,063	210,882	-
-	-	-	-	-	-	14,934
-	-	-	-	-	-	-
<u>25,199</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>148,000</u>	<u>210,882</u>	<u>14,934</u>
18,628	500	-	-	245,172	152,614	-
<u>73,386</u>	<u>4,086</u>	<u>146</u>	<u>3,561</u>	<u>849,147</u>	<u>424,588</u>	<u>-</u>
<u>\$ 92,014</u>	<u>\$ 4,586</u>	<u>\$ 146</u>	<u>\$ 3,561</u>	<u>\$ 1,094,319</u>	<u>\$ 577,202</u>	<u>\$ -</u>

GRAY COUNTY, KANSAS

ALL NON-BUDGETED SPECIAL PURPOSE FUNDS SCHEDULE OF RECEIPTS AND EXPENDITURES REGULATORY BASIS

Year ended December 31, 2012

	<u>P.A.T.F.</u>	<u>Sex offender</u>	<u>Special law enforcement trust</u>	<u>Special vehicle</u>	<u>Postage</u>
Cash receipts:					
State and federal aid	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	2,102	660	-	64,167	-
Charges for services	-	-	-	-	9,661
Interest	-	-	74	-	-
Other	-	-	15,643	-	-
Operating transfers in	-	-	-	-	-
Total cash receipts	<u>2,102</u>	<u>660</u>	<u>15,717</u>	<u>64,167</u>	<u>9,661</u>
Expenditures:					
Personal services	-	-	-	29,387	-
Commodities	-	-	-	5,697	-
Contractual services	-	-	-	63	14,294
Capital outlay	-	-	-	-	-
Remittance to state	1,010	-	-	-	-
Operating transfers out	-	-	-	31,894	-
Total expenditures	<u>1,010</u>	<u>-</u>	<u>-</u>	<u>67,041</u>	<u>14,294</u>
Receipts over (under) expenditures	1,092	660	15,717	(2,874)	(4,633)
Unencumbered cash, beginning of year	<u>13,814</u>	<u>1,420</u>	<u>2,901</u>	<u>31,894</u>	<u>8,287</u>
Unencumbered cash, end of year	<u>\$ 14,906</u>	<u>\$ 2,080</u>	<u>\$ 18,618</u>	<u>\$ 29,020</u>	<u>\$ 3,654</u>

See Independent Auditor's Report.

SCHEDULE 2-21

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<u>Veterans memorial</u>	<u>Law enforcement equipment</u>	<u>Alcohol programs</u>	<u>Parks and recreation</u>	<u>Rural fire training</u>	<u>Drug task force</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,385
-	-	-	-	-	-	128,661
-	-	-	-	-	-	39,100
-	-	-	-	-	-	9,862
1,140	-	-	-	326	-	116,349
-	-	-	-	-	-	778,502
<u>1,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326</u>	<u>-</u>	<u>1,106,859</u>
-	-	-	-	-	-	29,387
-	-	-	-	1,576	-	47,350
-	-	-	-	1,308	-	177,843
-	-	-	-	-	-	738,877
-	-	-	-	-	-	15,944
-	-	-	-	-	-	31,894
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,884</u>	<u>-</u>	<u>1,041,295</u>
1,140	-	-	-	(2,558)	-	65,564
<u>296</u>	<u>596</u>	<u>523</u>	<u>335</u>	<u>2,558</u>	<u>894</u>	<u>1,915,645</u>
<u>\$ 1,436</u>	<u>\$ 596</u>	<u>\$ 523</u>	<u>\$ 335</u>	<u>\$ -</u>	<u>\$ 894</u>	<u>\$ 1,981,209</u>

GRAY COUNTY, KANSAS

ALL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

Year ended December 31, 2012

Fund	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
County clerk	\$ 301	\$ 5,399	\$ 5,386	\$ 314
Register of deeds	738,201	1,224,805	1,962,872	134
District court	23,649	406,890	411,921	18,618
Sheriff	222	42,346	42,346	222
County treasurer	7,338,217	12,232,271	11,827,691	7,742,797
Local taxing districts	116,282	5,641,868	5,756,176	1,974
Mortgage registration fees	6,030	1,887,558	1,195,802	697,786
Drivers record fees	30	650	630	50
Motor vehicle fees and sales tax collection	30,105	941,378	944,002	27,481
Wind farm donation	-	380,000	380,000	-
Payroll clearing funds	366,985	2,101,995	1,995,376	473,604
Juvenile justice	104,386	635,084	653,522	85,948
Law library	13,625	8,578	7,747	14,456
Oil and gas depletion	-	68,802	-	68,802
Total	<u>\$ 8,738,033</u>	<u>\$ 25,577,624</u>	<u>\$ 25,183,471</u>	<u>\$ 9,132,186</u>

See Independent Auditor's Report.